



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

Release Number: **201427018**
Release Date: 7/3/2014
Date: 4/7/2014
UIL Code: 501.33-00

Contact Person:

Identification Number:

Contact Number:

Employer Identification Number:

Form Required To Be Filed:

Tax Years:
All

Dear :

This is our final determination that you do not qualify for exemption from Federal income tax as an organization described in Internal Revenue Code section 501(c)(3). Recently, we sent you a letter in response to your application that proposed an adverse determination. The letter explained the facts, law and rationale, and gave you 30 days to file a protest. Since we did not receive a protest within the requisite 30 days, the proposed adverse determination is now final.

Because you do not qualify for exemption as an organization described in Code section 501(c)(3), donors may not deduct contributions to you under Code section 170. You must file Federal income tax returns on the form and for the years listed above within 30 days of this letter, unless you request an extension of time to file. File the returns in accordance with their instructions, and do not send them to this office. Failure to file the returns timely may result in a penalty.

We will make this letter and our proposed adverse determination letter available for public inspection under Code section 6110, after deleting certain identifying information. Please read the enclosed Notice 437, *Notice of Intention to Disclose*, and review the two attached letters that show our proposed deletions. If you disagree with our proposed deletions, follow the instructions in Notice 437. If you agree with our deletions, you do not need to take any further action.

In accordance with Code section 6104(c), we will notify the appropriate State officials of our determination by sending them a copy of this final letter and the proposed adverse letter. You should contact your State officials if you have any questions about how this determination may affect your State responsibilities and requirements.

If you have any questions about this letter, please contact the person whose name and telephone number are shown in the heading of this letter. If you have any questions about your Federal income tax status and responsibilities, please contact IRS Customer Service at 1-800-829-1040 or the IRS Customer Service number for businesses, 1-800-829-4933. The IRS Customer Service number for people with hearing impairments is 1-800-829-4059.

Sincerely,

Director, Exempt Organizations

Enclosure
Notice 437
Redacted Proposed Adverse Determination Letter
Redacted Final Adverse Determination Letter



DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

Date: January 29, 2014

Contact Person:

Identification Number:

Contact Number:

FAX Number:

Employer Identification Number:

LEGEND:

B = Name
C = Name
D = Name
E = Name
G = Name
H = Name
P = Name
x = Date
y = Date

UIL:

501.00-00
501.03-00
501.31-00

Dear

We have considered your application for recognition of exemption from federal income tax under Internal Revenue Code section 501(a). Based on the information provided, we have concluded that you do not qualify for exemption under Code section 501(c)(3). The basis for our conclusion is set forth below.

Issue

Do the available facts show you have failed to pass the operational test, therefore disqualifying you from exemption under Section 501(c)(3) of the IRC? Yes, for the reasons described below.

Letter 4036 (CG) (11-2011)
Catalog Number 47630W

Alternative Issue

In the event that upon appeal you are found to qualify for exemption under Section 501(c)(3) of the Code, should you be classified as a church under Sections 509(a)(1) and 170(b)(1)(A)(i)? No, for the reasons described below.

Facts

You were formed by Articles of Incorporation on x in the State of P. Your Articles of Incorporation, in part, state you were formed to conduct and maintain a house of worship in accordance with the traditions of the Hebrew faith and conduct all communal affairs necessary for a viable community.

You submitted your Form 1023 on y seeking classification as a synagogue under Section 501(c)(3) of the IRC as described in sections 501(a)(1) and 170(b)(1)(A)(i). Your activity description in the Form 1023 states your purposes are to provide a house of worship and prayer services to residents of the community and provide assistance for individuals who attend services and cannot afford the biannual occurring costs associated with religious holidays like Passover and Sukkoth.

You have three board members, B as the President, C as the Secretary, and D as the Treasurer.

Your bank statements showed during a six-month period that there were several thousand dollars of withdrawals made from your bank account. You said these withdrawals were made by B using an ATM/debit card and the purpose of some of the cash withdrawn was to purchase religious items used by the congregation, such as religious books and articles, tables, chairs, etc. Another large withdrawal was made by B because you conducted a series of educational lectures and needed to cover expenses. There were no other details provided about the lectures. You later said the funds were tracked and monitored by written record of their purpose, which was reviewed by C. In addition, you ensured the money was used for the intended purpose by requiring a report and keeping a record of the use and purpose of the withdrawn funds. You provided hand-written records of these expenses. There was no indication that C was involved in the monitoring of any funds. There were no receipts or other documentation to substantiate expenses nor any indication there were any internal controls in place to monitor funds.

There was no information in your Form 1023 about your facility so we asked for details including both external and internal pictures of your facility. You provided as a lease agreement a very general statement signed by H on behalf of G, as G's president that you have permission to conduct religious services and no rent is charged. G is

synagogue. You provided one external photograph showing the door of the facility and two internal photos of a small room with a few tables and chairs. We wrote again to request a photograph of the broader view of the outside of your facility and a description of the facility. You provided a photograph showing the outside and a statement that the owner does not use any portion of the building for its purposes. You also stated there is a portion rented to a tenant operating a commercial business and two residential apartments rented to two different tenants. You wrote your portion accommodates 15 people and 10 attend services. You subsequently indicated commercial businesses have their own entrance. In addition, when we shared information that public records indicate that your facility is currently in foreclosure, you said you have no knowledge of this and you do not have information regarding the personal and financial affairs of G. Finally, you share a telephone number with G to save money.

There was also no information in the Form 1023 about your religious leader so we asked for details. You initially stated that your Rabbi's name was E and he was not otherwise gainfully employed. In addition, he does not yet have an official ordainment certificate and is a rabbinical student who is qualified to lead your services. Later you submitted information, showing he is a Yeshiva graduate who has received advanced rabbinical training. You also provided his age to be over 60 and that he is in the nursing home business. Finally, the address you initially provided for him indicated there was a synagogue at that address. When we inquired about this, you provided another address for him.

Your Schedule A stated that you will have regular services. You later wrote you would only have services, which vary with the Jewish calendar and will be conducted on Jewish holidays and on special occasions and events and sometimes during the days of the week. You were unable to provide any literature from your services but stated your services are advertised through word of mouth with neighbors and those attending services telling their friends, neighbors, and acquaintances of the available religious services.

Furthermore, your Schedule A stated you have 15 members in your congregation, but that you have 25 attendees. You subsequently submitted a congregational directory, which included 12 individuals. These 12 members included E, the two tenants in your building and your board members, B, C, and D; however, C also has a synagogue in his home. When we asked about this you responded that your "congregants include persons who also pray at other synagogues and who wish to support us. There is no prohibition in a person praying at more than one synagogue."

We also requested a list of donors. No members of your congregation were listed as donors. Donors only consisted of H, the president of G, who owns your facility and his wife, a synagogue and 2 other organizations. H and his wife donated 50% of your revenue while the synagogue donated 35%. The remaining portion is from 2 other

donors.

You provided meeting minutes of another organization with your initial Form 1023 submission. The minutes stated: "There was presented to the meeting a specimen of a proposed certificate to represent the shares of the organization, Resolved that the specimen for the certificate which has been presented to this meeting be and the same hereby is, approved and adapted as the certificate to represent these shares of the organization and it was further resolved that the specimen certificate so presented to the meeting be annexed to the minutes there of". When this was brought to your attention, you responded that your accountant used a corporate kit, which contained standardized meeting minutes for a business corporation and therefore referenced shares and other items. You then provided meeting minutes for your annual meeting for the last 2 years. These show the only action taken at each annual meeting was the election of the same board members. No other items were addressed and there were no signatures on these minutes.

Moreover, your Articles of Incorporation submitted with your initial Form 1023 state you "will assist and provide other religious services for the community, such as a religious school. Your religious school will teach the principals of the Jewish faith and its traditions as well as English secular studies. You will also maintain classes for the furtherance of the tenants of Jewish orthodoxy. You will also administer a full time school program consisting of grades ranging from nursery through the twelfth grade, post high school and post graduate Rabbinical studies." When we asked for details, you responded this is only a standard text for a religious organization, which would give you the right to operate such a school, if you choose and at this time, you do not operate a school. In addition, this is standard verbiage for Articles of Incorporation for religious organizations.

Finally, during the processing of your request for exemption, your case was closed failure to establish once because you did not timely respond to information requests about your activities and operations. In addition, we wrote five additional information letters in order to find out about your operations. In total, the processing of your application has been ongoing for over two years.

Law

Section 501(a) exempts organizations described in Section 501(c) of the Code from federal income taxation.

Section 501(c)(3) of the Code describes corporations organized and operated exclusively for charitable purposes no part of the net earnings of which inures to the benefit of any private shareholder or individual.

Section 1.501(c)(3)-1(a)(1) of the regulations states that, in order to be exempt as an organization described in section 501(c)(3) of the Code, an organization must be both organized and operated exclusively for one or more of the purposes specified in such section. If an organization fails to meet either the organizational test or the operational test, it is not exempt.

Section 1.501(c)(3)-1(c)(1) of the regulations provides that an organization will be regarded as operated exclusively for one or more exempt purposes only if it engages primarily in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. An organization will not be so regarded if more than an insubstantial part of its activities is not in furtherance of an exempt purpose.

Section 1.501(c)(3)-1(c)(2) of the regulations provides that an organization is not operated exclusively for one or more exempt purposes if its net earnings inure in whole or in part to the benefit of private shareholders or individuals. Section 1.501(a)-1(c) defines the words "private shareholder or individual" to mean persons having a personal and private interest in the activities of the organization.

Section 1.501(c)(3)-1(d)(1)(ii) of the regulations provides that an exempt organization must serve a public rather than a private interest. The organization must demonstrate that it is not organized or operated to benefit private interests such as "designated individuals, the creator or his family, shareholders of the organization, or persons controlled, directly or indirectly, by such private interests." Thus, if an organization is operated to benefit private interests rather than for public purposes, or is operated so that there is prohibited inurement of earnings to the benefit of private shareholders or individuals, it may not retain its exempt status.

Rev. Proc. 2014-9 provides that the Internal Revenue Service will recognize the tax-exempt status of an organization only if its application and supporting documents establish that it meets the particular requirements of the section under which exemption is claimed. Section 4.02 states that a determination letter or ruling on exempt status is issued based solely upon the facts and representations contained in the administrative record. It further states:

- (1) The applicant is responsible for the accuracy of any factual representations contained in the application.
- (2) Any oral representation of additional facts or modification of facts as represented or alleged in the application must be reduced to writing over the signature of an officer or director of the taxpayer under a penalties of perjury statement.

(3) The failure to disclose a material fact or misrepresentation of a material fact on the application may adversely affect the reliance that would otherwise be obtained through issuance by the Service of a favorable determination letter or ruling.

Section 4.03 of that Rev. Proc. states that the organization must fully describe all of the activities in which it expects to engage, including the standards, criteria, procedures or other means adopted or planned for carrying out the activities, the anticipated sources of receipts, and the nature of contemplated expenditures.

In Harding Hospital, Inc. v. United States, 505 F.2d 1068 (1974), the court held that an organization seeking a ruling as to recognition of its tax exempt status has the burden of proving that it satisfies the requirements of the particular exemption statute. Whether an organization has satisfied the operational test is a question of fact.

In American Guidance Foundation v. U.S., 490 F. Supp. 304 (D.D.C. 1980), the court said that, at a minimum, a church must include a body of believers that assemble regularly in order to worship. It must also be reasonably available to the public in the conduct of worship, in its educational instruction, and in its promulgation of doctrine. An organization of a few family members who attend worship services at a relative's apartment was held not to be a church under sections 509(a)(1) and 170(b)(1)(A)(i) because it did not meet these requirements. In addition, it was held that when the assets of an organization are used to pay for the living expenses of an individual(s) denial of exemption is appropriate. Generally, there are fourteen criteria used in determining whether or not an organization qualifies as a church. These criteria are as follows:

- a. A distinct legal existence
- b. A recognized creed and form of worship
- c. A definite and distinct ecclesiastical government
- d. A formal code of doctrine and discipline
- e. A distinct religious history
- f. A membership not associated with any other church or denomination
- g. Ordained ministers ministering to its congregation
- h. Ordained ministers selected after completing prescribed studies
- i. Literature of its own
- j. Established place of worship
- k. Regular congregation
- l. Regular religious services
- m. Sunday schools for religious instruction of the young
- n. Schools for the preparation of ministers

In Bubbling Well Church of Universal Love, Inc. v. Commissioner, 74 T.C. 531 (1980), an action for declaratory judgment pursuant to section 7428(a), the Tax Court

considered an adverse ruling by the IRS on an application for exempt status as a church. The applicant had declined to furnish some information, and made answers to other inquiries that were vague and uninformative. Based on the record, the Court held that the applicant had not shown that no part of its net earnings inured to the benefit of the family or that petitioner was not operated for the private benefit.

In Basic Unit Ministry of Alma Karl Schurig v. Commissioner, 511 F. Supp. 166 (D.D.C. 1981), *aff'd*, 670 F.2d 1210 (D.C. Cir. 1982), the court upheld the IRS's denial of exempt status as a religious organization in a declaratory judgment action. The court held that in factual situations where there is evident potential for abuse of the exemption provision, a petitioner must openly disclose all facts bearing on the operation and finances of its organization. Here plaintiff did not proffer sufficiently detailed evidence of its charitable disbursements, or the extent of its support of its members. Rather, plaintiff continually responded that it had already provided the data, or could not furnish anything further. Therefore, the court found that the applicant did not meet its burden to positively demonstrate that it qualifies for the exemption. The Court of Appeals for the District of Columbia Circuit, in affirming that the organization had not met its burden of establishing that no part of its net earnings inured to any private individual, observed:

"taxpayer confuses a criminal prosecution, in which the government carries the burden of establishing the defendant's guilt, with a suit seeking a declaratory judgment that plaintiff is entitled to tax-exempt status, in which the taxpayer, whether a church or an enterprise of another character, bears the burden of establishing that it qualifies for exemption."

In National Association of American Churches v. Commissioner, 82 T.C. 18 (1984), the court denied a petition for declaratory judgment that the organization qualified for exempt status as a church. In addition to evidence of a pattern of tax-avoidance in its operations, the court noted that the organization had failed to respond completely and candidly to the IRS during administrative processing of its application for exemption. An organization may not declare what information or questions are relevant in a determination process. It cited a number of declaratory relief actions that upheld adverse rulings by the Service because of the failure of the applicants to provide full and complete information on which the Service could make an informed decision.

In Peoples Prize v. Commissioner, T.C. Memo 2004-12 (2004), the court upheld the Service's determination that an organization failed to establish exemption when the organization failed to provide requested information. The court stated, "[Applicant] has, for the most part, provided only generalizations in response to repeated requests by [the Service] for more detail on prospective activities. Such generalizations do not satisfy us that [applicant] qualifies for the exemption."

Application of Law

Issue I

You are not as described in section 501(c)(3) of the Code because you have not established that you meet the operational test as per Section 1.501(c)(3)-1(a)(1) of the regulations. You have not shown as required by Section 1.501(c)(3)-1(c)(1) that you are primarily engaged in activities which accomplish one or more of such exempt purposes specified in section 501(c)(3) of the Code. You also have not demonstrated that you meet Section 1.501(c)(3)-1(c)(2) of the regulations and you have not demonstrated that you are serving public interests as opposed to private interests as required by Section 1.501(c)(3)-1(d)(1)(ii) of the Regulations. For example:

- You have not demonstrated that your net earnings are not inuring to B. He had indiscriminate use of your debit card to withdraw thousands of dollars.
- You have a small board and there is no indication that the board members have an active role in your operations such as approving the use of your funds. Your meeting minutes and other information provided do not show the active involvement of board members.
- You have not shown you have adequate internal controls to safe guard assets. Your lack of records concerning the withdrawals B made show a lack of financial controls.

You have not met the requirements of Revenue Procedure 2014-9, which provides an organization seeking exemption must fully describe all activities including standards, criteria, and procedures. You only provided generalities and often provided inconsistent information. Moreover, you do meet Sections 4.03 and 4.03(2) of Revenue Procedure 2014-9 because you did not provide information we asked for after repeated requests. For example:

- You initially stated that your Rabbi does not conduct services at any other location and is not otherwise gainfully employed. Later you said he is in the nursing home business. You also said he does not yet have an official ordainment certificate; he is a rabbinical student and is qualified to lead your services. You later submitted your Rabbi's resume, which indicates he is in fact a yeshiva graduate and has received advanced rabbinical training.
- One of your officers, C, has a synagogue in his home. You listed C in your congregational directory as one of your congregants. When we asked about this you responded that your "congregants include persons who also pray at other synagogues and who wish to support us. There is no prohibition in a person praying at more than one synagogue."
- You initially said you have 15 members of your congregation, but that you have 25 attendees. You later stated your facility only accommodates approximately 15 people and that approximately 10 individuals attend your services. You later

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submitted a congregational directory, which included 12 individuals.

- You initially said you have regular services. Then you stated your services vary with the Jewish calendar. The services are conducted on Jewish holidays and on special occasions and events.
- You were unable to provide any literature concerning your services such as flyers, announcements or advertisements.
- You spent thousands of dollars on educational materials but there is no evidence in the file you conduct an educational program. You did not provide copies of any educational materials.
- You were unable to submit documentation concerning your expenses and use of your debit card.
- You share a phone number with G, another congregation. You later explained this was to save money.

As shown above, on multiple occasions, you provided inconsistent information. As a result, we cannot consider the administrative record complete and subsequently your failure to disclose material facts demonstrate your failure to substantiate your operations further exempt purposes.

You have not provided sufficient information to show you meet the provisions in American Guidance Foundation, because you have not submitted consistent details showing you have a body of believers that assemble regularly in order to worship in an established location. You have not established your services are reasonably available to the public in the conduct of worship, in your educational instruction, and in your promulgation of doctrine. For example, you initially said you have regular services. Then you stated your services vary with the Jewish calendar and they are conducted on Jewish holidays and on special occasions and events. You were unable to provide any literature concerning your services such as flyers, announcements or advertisements. You initially said you have 15 members of your congregation, but that you have 25 attendees. You later stated your facility only accommodates approximately 15 people and that approximately 10 individuals attend your services. You subsequently submitted a congregational directory, which included 12 individuals. You have received no donations from your members. It is unclear from your responses that you have an established and regular body of worshipers. Your lack of or inconsistency of information has not conclusively demonstrated the existence of the basic tenets required for obtaining status as a church, regular worship services conducted at a regular location with a regular congregation.

Like the organization in Bubbling Well Church of Universal Love, you have given vague and uninformative answers to our inquiries. Moreover, you have not provided a candid disclosure of all facts about your operations and finances to assure us there is no abuse of the revenue laws. Because you have not been forthcoming in your responses, the logical inference as stated in this court case would show that you fail to meet the

requirements of Section 501(c)(3).

You are like the organization in Basic Unit Ministry of Alma Karl Schurig v. Commissioner, because you have not openly disclosed all facts on your operations and finances to demonstrate that you qualify for exemption. You did not proffer sufficiently detailed evidence of your operations and you continually responded in a vague and uninformative manner.

You are similar to the organization in National Association of American Churches, because you have not provided sufficient information for the Service to make an informed decision. You have not responded to questions completely and consistently. Moreover, we asked the same questions multiple times and continually received little or inconsistent details regarding your operations.

You are similar to the organization in Peoples Prize v. Commissioner, because you have only provided generalizations and inconsistencies to our repeated requests. Therefore, like this organization you have failed to establish exemption.

Alternate Issue

If upon appeal you are granted exemption under Section 501(c)(3), you should not be classified as a church because you have failed to establish qualification as a church.

As in American Guidance Foundation, supra, you do not meet several of the 14 points of a church to qualify under sections 509(a)(1) and 170(b)(1)(A)(i). While it is not necessary to meet all 14 points, some of the points weigh more heavily. These points include:

- A membership not associated with any other church or Denomination
- Established places of worship
- Regular religious services

Based on your membership information you have provided, it is not clear if your members are associated with you at all. You initially said you have 15 members of your congregation, but that you have 25 attendees. You later stated your facility only accommodates approximately 15 people and that approximately 10 individuals attend your services. You subsequently submitted a congregational directory, which included 12 individuals consisting of your Rabbi, your 3 board members, and the 2 tenants in your building. You have received no donations from your members. You were unable to provide any literature such as flyers and brochures. Moreover, it is not clear how a member of the public would become aware of your activities. You do not have pictures showing your name above your door indicating that you are conducting services. You have no flyers or brochures. It is also not clear that your activities are separate and

distinct from other congregations. You even share a phone number with G the owner of your facility and another congregation. It is also not clear if you are conducting regular services because you indicated services are conducted "as needed." Finally, C has a synagogue in his home.

Applicant's Position

You assert that you have met the numerous test/guidelines as promulgated and discussed by the courts, the Internal Revenue Code, the Internal Revenue Code Regulations, and IRS guidelines. The religious services that you conduct for worship as needed by your members qualify for 170(b)(1)(A)(i). It along with the satisfaction of all the other guidelines, tests, and benchmarks to be classified as a church/synagogue. There is no requirement in the Internal Revenue Code, in the Regulations, in the Revenue Rulings, or in any other IRS ruling that worship services be conducted 24/7 around the clock, every day of the year. This organization does conduct its worship religious services as needed by its parishioners and worshipers.

Service's Response to Applicant's Position

You have consistently failed to provide the specific information that we have requested. We agree with your assertion that there is no ruling or regulation that asserts that worship services be conducted 24/7 around the clock. You conduct religious services as needed and have failed to establish that "as needed" equates to regular services. However, the information you have provided throughout the processing of your Form 1023 application was often contradictory with other information you previously provided. You are unable to provide basic information regarding the details of your operations. Your financial statements reflect unsubstantiated numerous expenses. Your only contributions have been from non-members, which is unusual for an operational congregation. Your responses to our requests for more information and clarifications were so vague and widely inconsistent that we are unable to determine that you are operating exclusively for 501(c)(3) purposes. Similar to the organization in Harding Hospital, Inc. v. United States, 505 F2d 1068 (1974), you have the burden of proving that you satisfy the requirements for tax exemption. You have failed to provide enough information to prove to us that you are not operating for private interests.

Conclusion

Based on the above facts and law, we conclude that you do not qualify for exemption under section 501(c)(3) of the Code. Your responses to our inquiries were vague and uninformative. Therefore, you have failed to meet your burden of positively demonstrating that you qualify for exemption under Section 501(c)(3) of the Code. Based on the widely inconsistent information you have submitted over the course of the development of your application, we are unable to conclude that you are operating

exclusively for 501(c)(3) purposes. Therefore, you fail the operational test, and are disqualified from exemption under Section 501(c)(3) of the Code.

Conclusion Regarding Alternative Issue

The information you have provided about your operation of a house of worship is vague and, at times, contradictory. If, upon appeal, you were found to qualify for exemption, you do not meet the minimum requirements to be classified as a church under Sections 509(a)(1) and also 170(b)(1)(A)(i).

You have the right to file a protest if you believe this determination is incorrect. To protest, you must submit a protest statement explaining your views and reasoning. You must submit the protest statement, signed by one of your officers, within 30 days from the date of this letter. We will consider your statement and decide if the information affects our determination. If your protest statement does not provide a basis to reconsider our determination, we will forward your case to our Appeals Office. You can find more information about the role of the Appeals Office in Publication 892.

Types of information that should be included in your protest statement can be found in Publication 892. The protest statement must be accompanied by the following declaration:

"Under penalties of perjury, I declare that I have examined this protest statement, including accompanying documents and to the best of my knowledge and belief, the statement contains all relevant facts and such facts are true, correct, and complete."

Your protest will be considered incomplete without this statement.

If an organization's representative submits the protest, a substitute declaration must be included stating that the representative prepared the protest and accompanying documents; and whether the representative knows personally that the statements of facts contained in the protest and accompanying documents are true and correct.

An attorney, certified public accountant, or an individual enrolled to practice before the Internal Revenue Service may represent you during the appeal process. If you want representation during the appeal process, you must file a proper power of attorney, Form 2848, Power of Attorney and Declaration of Representative, if you have not already done so. You can find more information about representation in Publication 947, Practice Before the IRS and Power of Attorney. All forms and publications mentioned in this letter can be found at www.irs.gov, Forms and Publications.

If you do not file a protest within 30 days, you will not be able to file a suit for declaratory judgment in court because the Internal Revenue Service (IRS) will consider the failure

to appeal as a failure to exhaust available administrative remedies. Code section 7428(b)(2) provides, in part, that a declaratory judgment or decree shall not be issued in any proceeding unless the Tax Court, the United States Court of Federal Claims, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted all of the administrative remedies available to it within the IRS.

If you do not intend to protest this determination, you do not need to take any further action. If we do not hear from you within 30 days, we will issue a final adverse determination letter. That letter will provide information about filing tax returns and other matters.

Please send your protest statement, Form 2848, and any supporting documents to the applicable address:

Mail to:

Internal Revenue Service
EO Determinations Quality Assurance
Room 7-008
P.O. Box 2508
Cincinnati, OH 45201

Deliver to:

Internal Revenue Service
EO Determinations Quality Assurance
550 Main Street, Room 7-008
Cincinnati, OH 45202

You may fax your statement using the fax number shown in the heading of this letter. If you fax your statement, please call the person identified in the heading of this letter to confirm that he or she received your fax.

We've sent a copy of this letter to your representative as indicated in your power of attorney.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely,

Acting Director, Exempt Organizations

Enclosure: Publication 892

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